

AMENDMENTS TO THE CLAIMS

Kindly replace the claims as follows.

1. (currently amended) A method for operating an electronic trading system for the exchange of financial instruments, the method comprising the steps of:

providing a trading stack;

in an electronic trading system designed to receive and store orders to buy and to sell financial instruments as submitted by traders, and substantially as orders are received, to execute trades between matching buy and sell orders, stored buy and sell orders having priority orderings relative to each other reflecting at least one attribute of the order in addition to or instead of price, the priority ordering used by the electronic trading system to determine priority among orders for matching for execution:

receiving a dynamic price improvement order, being an order to buy or sell an identified in which the dynamic price improvement order is associated with a trade for a financial instrument traded on the electronic trading system, in which the dynamic price improvement order indicates that the electronic trading system should whose priority for execution against contraorders is maintained by the trading system at least in part relative to earlier-submitted orders on the same side of the market a priority of the dynamic price improvement order by adjusting a first price associated with the dynamic price improvement order to a level that is at least as good as at least one second price associated with at least one second order, and in which the priority includes a priority used by the electronic trading system for determining matches with contra orders;

receiving the at least one second orders contra to the dynamic price improvement order, and matching the contra orders to the stored orders on the same side of the market as the dynamic price improvement order substantially as the contra orders are received, the dynamic price improvement order being matched to the contra orders with the priority relative to other orders as maintained by the electronic trading system, and

executing transactions substantially as orders and contra orders are matched

~~determining a price improvement level to assign to the dynamic price improvement order so that the priority of the dynamic price improvement order is maintained; and in which the price improvement level corresponds to an amount of change to the first price; and~~

~~assigning the price improvement level to the dynamic price improvement order.~~

2. (cancelled)

3. (currently amended) The method of according to claim 1, in which the change includes an increase in the first price of the dynamic price improvement order.

4. (currently amended) The method of according to claim 1, in which the change includes a decrease in the first price of the dynamic price improvement order.

5. (currently amended) The method of according to claim 1, in which the priority of the dynamic price improvement order is ~~includes~~ a position at a front of a trading stack.

6. (currently amended) The method of according to claim 1, further comprising the step of:
maintaining priority of the dynamic price improvement order relative to other orders based on assigning a timestamp assigned to the dynamic price improvement order.

7. (currently amended) The method of according to claim 6, further comprising maintaining the priority based on said timestamp.

8. (currently amended) The method of according to claim 6, wherein in the event two or more said dynamic price improvement orders are received, the orders with older timestamps are matched prior to orders with newer timestamps.

9. (currently amended) The method ~~of according to~~ claim 1, wherein:

~~the electronic trading system reveals orders to users at a fixed price increment, and the price increment at which the price of the dynamic said price improvement order is adjusted is level represents a fraction of the revealed price a predetermined pricing increment for which orders may be submitted to the electronic trading system.~~

10. (currently amended) The method ~~of according to~~ claim 1, wherein:

determining includes determining the price improvement level such that it is one level higher than the next best order in an order stack, wherein the price improvement level can be adjusted up to a maximum price improvement level.

11. (cancelled)

12. (currently amended) The method ~~of according to~~ claim 1, further comprising the step of wherein:

~~said determining comprises:~~ determining the price improvement level of a best order in an order stack; and assigning a price improvement level to said dynamic price improvement order that improves the price ~~improvement level~~ of said dynamic price improvement ~~best~~ order by one price improvement level when the price improvement level of said best order is not a maximum price improvement level.

13. (currently amended) The method according to claim 12, further comprising the step of:

assigning said maximum price improvement level to said dynamic price improvement order when the price improvement level of said best order is at said maximum price improvement level.

14. (currently amended) The method of ~~of according to~~ claim 1, wherein said dynamic price improvement order is the default order type for ~~designated a predetermined number of~~ traders that use a trading interface to submit orders to the electronic trading system.

15. (currently amended) The method of ~~of according to~~ claim 1, further comprising the step of:

providing to traders of the electronic trading system the option to select wherein said dynamic price improvement ~~as order~~ is one of several price improvement order types available for submission to ~~selected by a trader using~~ said electronic trading system.

16. (currently amended) The method of ~~of according to~~ claim 1 further comprising:
decreasing the price improvement level of at least one order on the same side of the market as the dynamic price improvement order ~~the at least one second order~~ such that the price improvement level of the at least one ~~same-market-side~~ ~~second~~ order does not exceed the price improvement level assigned to the dynamic price improvement order.

17. (currently amended) The method of ~~of according to~~ claim 16, wherein:
the price improvement level of the at least one second order is decreased to a price improvement level one level below a maximum price improvement level when the at least one price improved order is assigned a maximum price improvement level as its price improvement level.

18. (currently amended) A electronic trading system for the exchange of financial instruments, said system comprising at least one processor, the processor or processors of the system being that is configured to:

receive and store orders to buy and to sell financial instruments as submitted by traders, and substantially as orders are received, to execute trades between matching buy and sell orders, the stored buy and sell orders having priority orderings relative to each other reflecting at least one attribute of the order in addition to or instead of price, the priority ordering used by the electronic trading system to determine priority among orders for matching for execution;

receive a dynamic price improvement order, being an order to buy or sell an identified in which the dynamic price improvement order is associated with a trade for a financial instrument traded on the electronic trading system, in which the dynamic price improvement order indicates that the electronic trading system should whose priority for execution against contraorders is maintained by the trading system at least in part relative to earlier-submitted orders on the same side of the market a priority of the dynamic price improvement order by adjusting a first price associated with the dynamic price improvement order to a level that is at least as good as at least one second price associated with at least one second order, and in which the priority includes a priority used by the electronic trading system for determining matches with contra orders;

receive the at least one second orders contra to the dynamic price improvement order, and match the contra order to the stored orders on the same side of the market as the dynamic price improvement order substantially as the contra orders are received, the dynamic price improvement order being matched to the contra orders with the priority relative to other orders as maintained by the electronic trading system, and

execute transactions substantially as orders and contra orders are matched
determine a price improvement level to assign to the dynamic price improvement order so that the priority of the dynamic price improvement order is maintained, and in which the price improvement level corresponds to an amount of change to the first price; and
assign the price improvement level to the dynamic price improvement order.

19. (cancelled)

20. (currently amended) The system ~~of according to~~ claim 18, in which the change includes an increase in the ~~first price~~ of the dynamic price improvement order.

21. (currently amended) The system ~~of according to~~ claim 18, in which the change includes a decrease in the ~~first price~~ of the dynamic price improvement order.

22. (currently amended) The system ~~of according to~~ claim 18, in which the priority of the dynamic price improvement order ~~is~~ includes a position at a front of a trading stack.

23. (currently amended) The system ~~of according to~~ claim 18, wherein said processor server is operative to maintain priority of the dynamic price improvement order relative to other orders based on ~~assign~~ a timestamp assigned to the dynamic price improvement order.

24. (currently amended) The system ~~of according to~~ claim 23, wherein said processor server is operative to maintain the priority based on said timestamp.

25. (currently amended) The system ~~of according to~~ claim 18, wherein:
the electronic trading system reveals orders to users at a fixed price increment, and the price increment at which the price of the dynamic ~~said~~ price improvement order is adjusted is level ~~represents a fraction of the revealed price a predetermined pricing increment for which orders may be submitted to the electronic trading system.~~

26. (currently amended) The system ~~of according to~~ claim 18, wherein:
the processor is further operable to adjust ~~determining includes determining~~ the price of the dynamic price improvement order to improvement level such that it is one level more improved ~~higher~~ than the next best order in an order stack, wherein the price improvement level can be adjusted up to a maximum price improvement level.

27. (cancelled)

28. (currently amended) The system of according to claim 18, wherein:
the processor is further operable to in which determining includes: determining ~~[[ing]]~~ the price improvement level of a best order in an order stack; and assign a price improvement level to said dynamic price improvement order that improves the price ~~improvement level~~ of said dynamic price improvement best order by one price improvement level when the price improvement level of said best order is not a maximum price improvement level.

29. (currently amended) The system of according to claim 28, wherein said processor is operative to assign said maximum price improvement level to said dynamic price improvement order when the price improvement level of said best order is at said maximum price improvement level.

30. (currently amended) The system of according to claim 18, wherein said dynamic price improvement order is the default order type for designated ~~a predetermined number of~~ traders that use a trading interface to submit orders to the electronic trading system.

31. (currently amended) The system of according to claim 18, wherein:
said processor is operative to decrease the price improvement level of at least one order on the same side of the market as the dynamic price improvement order ~~the at least one second order~~ such that the price improvement level of the at least one same-market-side second order does not exceed the price improvement level assigned to the dynamic price improvement order.

32. (currently amended) The system of according to claim 31, wherein the price improvement level of the at least one second order is decreased to a price improvement level one level below a maximum price improvement level when the at least one price improved order is assigned a maximum price improvement level as its price improvement level.

33. (currently amended) The system of according to claim 18, wherein:
the electronic trading system is operable to providing to traders of the electronic trading system the option to select wherein said dynamic price improvement as order is one of several

price improvement order types available for submission to ~~selected by a trader using a workstation that is connected to~~ said electronic trading system.

34-38. cancelled.

39. (new) The method of claim 1, in which a contra order matched to the dynamic price improvement order for execution is a lift or take of a standing offer.

40. (new) The method of claim 1, in which a contra order matched to the dynamic price improvement order for execution is a hit of a standing bid.